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MONDAY, DECEMBER 12, 2005

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CALIFORNIA STATE LANDS

COMMISSION MEETING

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Reported by: LINDSEY R. PERRY, CSR License No. 12806

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MR. JENKINS: Okay. My name is

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Stephen L. Jenkins. I'm the assistant chief of the

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Environmental Division of the California State Lands

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Commission. It's about 2:06 on Monday, December 12th.

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And the purpose of this meeting is to conduct an early

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consultation scoping meeting for the preparation of a CEQA

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document -- that's C-E-Q-A document -- for the

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applications submitted by PG&E, called the Pipeline 57

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C -- what's that word? Re- --

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MS. KELLER: Reliability.

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MR. JENKINS: -- Reliability Project.

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What this project involves is construction of a

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new pipeline that PG&E representatives here in the meeting

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today will further describe, but it basically involves a

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pipeline project that goes under various waterways down in

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the Delta, Old River, Middle River and the Latham Slough

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Empire Cut that are under the jurisdiction of the

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California State Lands Commission. As a result, PG&E has

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submitted their application to us for a lease to drill

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their pipeline under those three water bodies.

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The purpose of today's meeting, again, is to

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receive public comments and comments from the agencies on

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aspects of this project that they would like to have

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analyzed in an environmental document. We are not here to

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address the merits of the project, whether it should be

2 approved or disapproved, and, at this point, I think I  
3 will -- how am I going to do this?

4           Is there anyone here that wishes to testify or  
5 add comments on this project? Okay. That's why I was  
6 pausing. There doesn't seem to be anybody here, so at  
7 this point, which is about nine minutes after 2:00, we're  
8 going to put this meeting on hold. We'll reconvene in  
9 about 15 or 20 minutes. Probably 15 minutes. And then if  
10 no one is here, we will just terminate this meeting and  
11 then reconvene tonight at 6:30 at the Holt Elementary  
12 School gymnasium or multipurpose room down in Holt,  
13 California.

14           So at this point, we'll pause for 15 minutes.

15           (Off the record.)

16           MR. JENKINS: Okay. It's 2:24. We've waited  
17 about 15 minutes. I'm Steve Jenkins with the California  
18 State Lands Commission. We're going to resume our agency  
19 consultation and scoping meeting for the PG&E line 57 C  
20 Reliability Project.

21           In the 15 minutes that we've paused, there are no  
22 agencies that have presented themselves or any members of  
23 the public except for David Forkel, F-O-R-K-E-L, assistant  
24 general manager of the Delta Wetlands Project. Mr. Forkel  
25 has some questions about the project; however, he's

3

1 familiar enough with the project that he's indicated that  
2 he does not have to have PG&E present the project details.

3           So with that, Mr. Forkel, feel free to ask

4 whatever questions that you have. Again, if they relate  
5 to the environmental process, I would be happy to respond  
6 to those. If they relate to the leasing jurisdiction or  
7 process for the State Lands Commission, Tim Lipscomb can  
8 respond to that or, Frank, you can handle the PG&E  
9 questions as far as the project itself, so feel free.

10 MR. FORKEL: As I said, we represent the  
11 landowner, Bacon Island, as well as the reclamation  
12 district, so our primary area of concern is how this  
13 pipeline might affect our ongoing agricultural operations  
14 as well as levee maintenance and what sort of impact it  
15 would have both during construction long term. So those  
16 are the issues that are a primary concern to us. And we  
17 know a little bit about the project. I'm not sure what  
18 the timing is on it, so are -- that would be very helpful  
19 for us to know when this project is proposed and how long  
20 you'll be impacting our operations.

21 MR. MAXWELL: I'll start with the timing. Our  
22 schedule, if all goes well through the process of  
23 permitting, is to start construction sometime in the  
24 beginning of the second -- third quarter of 2006 and  
25 complete the project by November 1 of 2006.

4

1 The impact to farming operations is in areas  
2 where there's open trench or traditional construction.  
3 We'll have a working area of 120 to 150 feet wide,  
4 depending upon where we are placing the pipeline. We plan  
5 to follow agricultural roads to the greatest extent

6 possible, and we have been working with the landowners to  
7 identify the most desirable route through the fields, but  
8 we do have to cross the agricultural areas.

9           A great amount of the project -- I believe it's  
10 two-thirds to three quarters of the project -- will be  
11 hydraulically directional drilled, which -- granted, we'll  
12 have big footprints for the entry and exit points of the  
13 drill. And I'll talk a little bit more about the drilling  
14 process, but between the entry and exit points of the  
15 drill, we won't disturb the land whatsoever except for  
16 maybe foot traffic over the top where a truck -- along a  
17 road, but we won't be going over the agricultural road  
18 crops at that spot.

19           The drilling rigs, both at the drilling end and  
20 the receiving end will have fairly large footprints. I  
21 can't remember the exact size right now. It's in our  
22 filing here, but -- Emily, if you know, go ahead and speak  
23 to that -- but fairly large operation, and then a  
24 stringing of the pipe at the receiving end. We'll drill a  
25 pilot hole through and then pull the pipe back through the

1 pilot hole, thereby creating the pipe we need for the gas  
2 facilities. And the depth will vary towards the receiving  
3 and drilling ends, back up to our depth of cover, which  
4 will be six feet to the top of the pipe. But the drill  
5 will vary in depth and hit a maximum depth of probably  
6 about 180 feet, so maybe 200 feet at the deepest point at  
7 the bottom of the drill.

8 MR. FORKEL: Okay. Your six feet of cover, is  
9 that your -- a requirement for your pipeline or is that --

10 MR. MAXWELL: We -- our standards are for -- to  
11 -- three feet to the top of the pipe. We're going deeper  
12 due to the agricultural and the size of the pipeline and  
13 we -- also, the soil in the area is subject to erosion  
14 when otherwise the --

15 MR. FORKEL: What we're finding with the other  
16 pipelines on our island is the cover is not near what it  
17 was 20, 30 years ago.

18 MR. MAXWELL: Right. They tend to come up over  
19 time. This -- the pipe itself will be concrete coated to  
20 create negative buoyancy, so it should stay in its  
21 original place. We do expect the soil to erode over time.

22 MR. FORKEL: And you're going to bore under our  
23 central ditch there? Is that what I see?

24 MR. MAXWELL: Yes, uh-huh.

25 MR. FORKEL: And then the staging areas, how long

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1 are you going to need that, the same time frame or --

2 MR. MAXWELL: Approximately one month before  
3 construction starts in the area on Bacon Island to  
4 one month after. I would say, generally speaking, we may  
5 go a couple weeks earlier and later on that, but we plan  
6 to stage and move along as possible. We haven't  
7 completely identified the detailed construction plan, but  
8 generally speaking, that's what our expectation would be.

9 MR. FORKEL: One thing to bear in mind is the

10 agricultural operations on the property is affected by the  
11 staging as well as the construction. It's not -- you  
12 know, you're not taking a hundred foot wide strip. You  
13 might be affecting several hundred acres because of the --  
14 you know, you're going to cross these things diagonally,  
15 and a lot of them have ditches that cut across. So you  
16 might be putting one of those strips down the middle of  
17 the island, but you might be affecting a much bigger area  
18 for the surrounding agricultural operations.

19           Most of the irrigation they do out there is flood  
20 irrigation, and they'll come in and they'll flood a whole  
21 field. And the path, you know, through the center of that  
22 field, especially when they're at an angle like this, is  
23 -- could be affecting a lot more area. I don't think  
24 that's a big deal for you guys, but it is for my farmer.  
25 Could be a huge deal for him, but it's not that long term.

7

1           And then boring under the levees, we'll -- we're  
2 going to continue to be working on our levees and putting  
3 material up there, and that's a big problem for your  
4 current pipelines, the way they go through the levees.  
5 And so you're deep enough you don't see that as being any  
6 additional stress on the pipelines down there?

7           MR. MAXWELL: No, no. In fact, that's -- it's a  
8 preferred way of going from a pipeline stability from a  
9 longevity standpoint too.

10           MR. FORKEL: That's what we pretty much  
11 understood once you get down -- how deep?

12 MR. MAXWELL: We'll be 60 to 90 feet below the  
13 lowest point of the river bottom.

14 MR. FORKEL: And that's all pretty good, hard  
15 sand down there?

16 MR. MAXWELL: Yeah, yeah. It's consolidated  
17 soil. So it's certainly far below the peat, but we've  
18 done analysis on expected scour from a levee rupture and  
19 the earth removal, looking at the Lower Jones as the most  
20 recent example, as well as hypothetical model scours from  
21 all the three major water crossings there, if they were to  
22 break loose and to scour the soil out, that we wanted to  
23 be deep enough to avoid a washout of the pipeline.

24 MR. FORKEL: Uh-huh. And how do you deal with  
25 water on the island when you're out there? Are there any

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1 issues with water or water quality or obtaining water?

2 MR. MAXWELL: We have identified the water  
3 sources for hydrostatic testing of the pipeline system and  
4 we're working on a disposal -- water disposal permit.  
5 We'd have to have that in hand to dispose of the water  
6 after it's been used for testing of the pipeline before --

7 MR. FORKEL: Can you just use our water for  
8 testing? Is that --

9 MR. MAXWELL: Possibly. I'm pretty sure we  
10 could, but I'm not that familiar with that particular  
11 permit offhand.

12 MR. FORKEL: I just don't know how that works.  
13 We have water all over the place, and we're actually --



14 MR. MAXWELL: Looking to get rid of it? Yeah,  
15 same on MacDonald Island, where we have our facilities  
16 too. I don't think there's a shortage, so we're looking  
17 for close by water sources.

18 MR. JENKINS: Frank, let me just follow up on one  
19 of David's comments.

20 As far as the cutting across diagonally and the  
21 impact on farming operations, can you describe a little  
22 bit how your land agents or how PG&E is proposing to work  
23 with farmers on those issues?

24 MR. MAXWELL: Do you want to take that one or --

25 MR. JENKINS: Go ahead and state your name.

9

1 MR. LOO: My name Loren Loo. I work for PG&E.  
2 And currently, I believe that our land rights agents that  
3 are out in the field are actually discussing, you know,  
4 what the current operational practices and procedures are  
5 for that particular type of crop in the various fields  
6 that we'll be crossing. And where there is an absolute  
7 need to cross a few diagonally as opposed to following  
8 established roadways or corridors, we'll be talking with  
9 everyone and identifying exactly when certain activity  
10 that could be disrupted by our truck traffic or other  
11 vehicular traffic going from one spot to the other across  
12 that area, you know, where there could be conflicts;  
13 identifying, you know, whether or not there could be  
14 changes in terms of the timing or when we'd actually  
15 perform the work and seeing if we can come to some

16 agreement to avoid and/or adjust our schedule to  
17 accommodate your schedules.

18           But in cases where -- I'm assuming where we just  
19 cannot do it just from the mere fact that we've got to hit  
20 certain targets in order to get the project completed and  
21 where there will be actual disruption, you know, it's my  
22 understanding that we'll be negotiating with each  
23 individual property owner to actually identify, you know,  
24 what the range of damage will be to the actual crop for  
25 that particular year and any successive years as

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1 appropriate and then working, you know, on the actual  
2 necessary compensation for those damages post completion  
3 of construction.

4           MR. FORKEL: We've been working with your land  
5 agent and he didn't have a good time frame and -- but he  
6 did say it would be pretty tight, so my guess is you're  
7 going to need to get in there when you can get in. And my  
8 other point was if you got a -- you might have a 50-acre  
9 impact, but it might be 300 acres of total impact because  
10 of the surrounding area.

11           We have mostly small grains that aren't going to  
12 be long-term impact, so if you go through a corn field,  
13 you know, you mess it up before harvest, but maybe it  
14 doesn't affect a whole lot, but if you go through an  
15 alfalfa field and we can't irrigate, you know, that could  
16 be a problem.

17           MR. LOO: Exactly. Yeah, we take the type of

18 crops into consideration when discussing the actual  
19 compensation, so...

20 MR. JENKINS: Okay. Thank you. Mr. Forkel, you  
21 were asking questions for your information, you know,  
22 clarification about the project. Are these comments and  
23 questions things you want to have addressed in our  
24 environmental study or were they just, you know, for your  
25 information so that you get a better understanding --

11

1 MR. FORKEL: Mostly for my information, but I do  
2 think the levee maintenance issue and safety on the island  
3 is a primary concern. And what you're doing is actually  
4 better than what we currently have out there from an  
5 environmental standpoint. We don't have many impacts  
6 other than my concern over what you're going to do  
7 regarding water and impacts to fisheries that -- you know,  
8 we've got water all over the place, but it might not be  
9 water that you're allowed to use, so you might have to get  
10 your own permits.

11 Same with disposal. We don't want to end up with  
12 a problem on our island because you're disposing water in  
13 our drainage ditches. That creates a problem, but you  
14 guys know how to do this, so we're not concerned with  
15 that.

16 MR. JENKINS: Okay. We'll focus our comments, if  
17 you will, what we respond to and make sure that we address  
18 all these in the environmental document, but in  
19 particular, the levee and the water, the drainage issues

3-1

20 and stuff, so...

21 MR. FORKEL: And as he discussed, the soils out  
22 there, they erode. They're subsiding at an alarming rate,  
23 so your six feet of coverage is going to be less than  
24 six feet as you go out in the future, but as long as you  
25 have three feet of extra coverage, you should be okay.

12

1 MR. MAXWELL: Yeah, it'll help.

2 MR. JENKINS: All right. Okay. Do you have any  
3 other comments that you'd like to make?

4 MR. FORKEL: Just a clarification for me. We  
5 have three other lines coming across the island. Is there  
6 any plans for what's going to happen with the other two  
7 lines? I assume 57 B is going to stay in operation. Is  
8 57 A going to remain there for --

9 MR. MAXWELL: 57 B will stay in service. 57 A,  
10 we will -- will remain there in its current state. We  
11 will continue to monitor it to make sure it's not a safety  
12 concern for you or the public or the farming operations in  
13 the area, but it is deactivated in the area. We do not  
14 have the plans to remove it at this point in time.

15 MR. FORKEL: Is there any reason why you're not  
16 removing it? Is it just the cost of removing it or is it  
17 that you might use it in the future?

18 MR. MAXWELL: The cost of removing it is the  
19 primary concern at this point in time. If it is an issue,  
20 though, we -- for your operations, we'd like to hear about  
21 it because that's one of the ways we --

22 MR. FORKEL: Only to the extent that we have  
23 levee construction that goes on and you're not going to be  
24 concerned about the integrity of that line going through  
25 the levee, so...

13

1 MR. MAXWELL: No.

2 MR. FORKEL: We're not going to hit it, and if we  
3 do, it's not a big deal, I guess.

4 MR. MAXWELL: Correct. It has nitrogen in it and  
5 inert gas so, you know, if somebody hits it and springs a  
6 leak, it'll warn people that something's there, but it's  
7 not a --

8 MR. FORKEL: Right. And it's not going to float  
9 up except maybe in the overlay when it gets floated up?

10 MR. MAXWELL: Yes, and we've been constantly  
11 surveying that to make sure it doesn't do that again.

12 MR. FORKEL: Okay.

13 MR. JENKINS: Okay. Any other comments?

14 MR. FORKEL: No.

15 MR. JENKINS: Okay. It's 2:41. We're going to  
16 go ahead and adjourn this meeting, and we will convene at  
17 6:30 at the Holt Elementary School gymnasium in Holt,  
18 California.

19 Thank you.

20 (Whereupon the meeting adjourned.)

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